

## Message Text

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PAGE 01 STATE 174848  
ORIGIN XMB-04

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XMB

DRAFTED BY XMB; J W LENTZ:SSU  
APPROVED BY AF/C:LDJUNIOR  
XMB: C NORRIS  
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-----094289 112334Z /23  
P 112133Z JUL 78  
FM SECSTATE WASHDC  
TO AMEMBASSY KINSHASA PRIORITY

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E.O. 11652: N/A

TAGS: EFIN, CG

SUBJECT: FUTURE OF INGA-SHABA TRANSMISSION LINE

1. ON JULY 6 PROJECT STATUS DISCUSSED IN MEETING BETWEEN  
AMBASSADOR KASONGO AND EXIMBANK OFFICIALS. FOLLOWING IS  
TEXT OF LETTER SUMMARIZING MEETING SENT KASONGO JULY 7.

QUOTE

DEAR MR. AMBASSADOR:  
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IN ACCORDANCE WITH YOUR REQUEST, WE ARE PLEASED TO CONFIRM  
THE POINTS MADE IN THE MEETING YESTERDAY WITH MR. JOHN  
LENTZ AND ME CONCERNING THE INGA-SHABA TRANSMISSION LINE.

ALL OF US APPRECIATE THAT THE PROJECT HAS BEEN SUBJECTED  
TO AN EXTRAORDINARY SHOCK DURING THE PAST 60 DAYS. PRIOR  
TO THE MOST RECENT SHABA INCURSION EXIMBANK WAS IN THE  
ADVANCED STAGES OF CONSIDERING THE APPLICATION OF SOCIETE

NATIONALE D'ELECTRICITE (SNEL) FOR ASSISTANCE IN FINANCING

DOLS. 73.7 MILLION OF ADDITIONAL U.S. COSTS, THEN ESTIMATED AS BEING SUFFICIENT TO COMPLETE THE PROJECT. WE ARE NOW ADVISED BY THE PRIME U.S. CONTRACTOR, MORRISON-KNUDSEN,

THAT U.S. COSTS COULD TOTAL DOLS. 129.0 MILLION. WHILE THIS ESTIMATE IS PRELIMINARY AND WILL BE AMPLIFIED BY A DETAILED STUDY CURRENTLY UNDER WAY, IT HAS BEEN A CAUSE OF GREAT CONCERN TO EXIMBANK. NOT ONLY HAVE COSTS INCREASED SUBSTANTIALLY, BUT PROJECT COMPLETION HAS BEEN DELAYED FROM THE SPRING OF 1980 UNTIL AT LEAST THE END OF THAT YEAR, IF NOT BEYOND. FINALLY, IT IS OUR UNDERSTANDING THAT SECURITY HAS NOT BEEN FULLY ESTABLISHED IN THE KOLWEZI AREA - A PREREQUISITE TO RESUMPTION OF FULL-SCALE CONSTRUCTION.

GIVEN THESE ADVERSE DEVELOPMENTS, EXIMBANK MUST REVIEW ITS POSITION ON PROVIDING ADDITIONAL PROJECT ASSISTANCE. IN THIS ANALYSIS, PRIME IMPORTANCE WILL BE PLACED ON THE ATTITUDE ADOPTED BY YOUR GOVERNMENT REGARDING COMPLETION OF THE INGA-SHABA LINE. ACTIVITY COULD BE LIMITED TO A MAINTENANCE OPERATION; ALTERNATIVELY, CONSTRUCTION MIGHT BE RESUMED AT A NORMAL, ECONOMIC PACE ASSUMING SECURITY LIMITED OFFICIAL USE

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HAD BEEN RESTORED ON A BASIS SATISFACTORY TO THE CONTRACTOR. WE UNDERSTAND SNEL FAVORS THE LATTER OPTION, HOWEVER, OTHER DEPARTMENTS OF THE GOVERNMENT ARE CLEARLY INVOLVED. A DECISION TO PURSUE THE PROJECT WILL REQUIRE A WILLINGNESS TO COMMIT SCARCE FOREIGN EXCHANGE AND LOCAL CURRENCY RESOURCES ON A RELIABLE SCHEDULE OVER AN EXTENDED PERIOD. IF SUCH A DECISION IS REACHED, SNEL SHOULD SUBMIT AN AMENDED APPLICATION TO EXIMBANK WHICH WOULD INCLUDE DETAILED ECONOMIC AND TECHNICAL INFORMATION BASED ON THE REVISED COST ESTIMATES.

WE LOOK FORWARD TO LEARNING OF ZAIRE'S POLICY TOWARD THE PROJECT, WHICH WILL BE AN IMPORTANT ELEMENT IN THE DECISIONS EXIMBANK AND OTHER AGENCIES OF OUR GOVERNMENT MUST SOON MAKE.

SINCERELY,

DONALD E. STINGEL, DIRECTOR

UNQUOTE

2. AT APPROPRIATE TIME EXIMBANK WOULD APPRECIATE EMBASSY FOLLOW-UP ON POINTS RAISED IN LETTER AT TOP GOZ LEVELS.

CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BANK LOANS, DEVELOPMENT PROGRAMS, INGA-SHABA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 11 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Enclosure:** n/a  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Subject:** FUTURE OF INGA-SHABA TRANSMISSION LINE  
**TAGS:** EFIN, CG, XMB  
**To:** KINSHASA  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
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